

Current Year End (Capital)	30 JUNE 2005
Previous Year End (Capital)	30 JUNE 2004

Current Year End (Normal)	30 June 2005
Previous Year End (Normal)	30 June 2004

Current Year	2005
Previous Year	2004

Date Approved	09 March 2006
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Current Year End (Short)	30/06/2005
Previous Year End (Short)	30/06/2004



KAGISANO LOCAL MUNICIPALITY



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2005

KAGISANO LOCAL MUNICIPALITY

- Our Vision -

To be a developmental vehicle through which the needs of the Community shall be achieved in a sustainable manner.

- Our Mission -

Service provision through partnership, accountable and democratic, transformation, capacity building through human capital development

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GENERAL INFORMATION

AS AT 30 JUNE 2005

MEMBERS OF THE EXECUTIVE COMMITTEE AND THEIR PORTFOLIOS

Cllr. C.E. Tladinyane	Municipal Mayor
Cllr. B.B. Mooketsi	Economic Development and Infrastructure
Cllr. S.K. Ntshekang	Governance and Administration
Cllr. M. R. Mosemeng	Social Affairs

SPEAKER

Cllr.O.R. Mochware

COUNCILLORS

Cllr. G.K. Nthebotsenyane	Ward Councillor
Cllr. L.C. Loabile	Ward Councillor
Cllr. T.M. Lenkopane	Ward Councillor
Cllr. M.K. Mokgara	Ward Councillor
Cllr. S.E. Montshiwagae	Ward Councillor
Cllr. M. Kesilwe	Proportionally Elected Councillor
Cllr. L.J.Lothobeng	Proportionally Elected Councillor
Cllr. O. Oagile	Proportionally Elected Councillor
Cllr. O.Tladinyane	Proportionally Elected Councillor
Cllr. M.Mustafa	Proportionally Elected Councillor
Cllr. K.D. Baepi	Proportionally Elected Councillor
Cllr. S. Modise	Proportionally Elected Councillor
Cllr. B.C. Malose	Proportionally Elected Councillor

Cllr. O.J. Jantlo	Tribal Councillor
Cllr. N. Disipi	Tribal Councillor
Cllr. O.G. Letlhogile	Tribal Councillor
Cllr. K.Mekgwe	Tribal Councillor

EXECUTIVE STRUCTURE

Mr. T. G. Letlhogile	Municipal Manager
Mr. F. Keate	Corporate Services Director
Mr. M. Moruti	Chief Financial Officer
Mr. G. Modisaotsile	Engineering Services Director
Mr. L. Segomotso	IDP / Local Economic Development Manager
Mr O.C. Motshabi	Public Relations Officer

GRADING OF LOCAL AUTHORITY

Category B, Grade1

The category is used for the determination of the upper limits of the salaries, allowances and benefits of the different members of the municipal councils in terms of the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).

AUDITORS

Office of the Auditor-General

Shared Audit Service with the Bophirima District Municipality:
Mr. J. Putter Chairperson
Mr. E. Mafulako
Me. S.J. Masite
Me. S.R. Mclune

ABSA Bank

REGISTERED OFFICE

Next to Post Office
Phola Section
Ganyesa

Private Bag x 522
Ganyesa
8613

Telephone: (053) 998 3286
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Website: www.kagisanolm.co.za

APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements set out on page 11 to 45 were approved by the Municipal Manager on 28 November 2005 and presented to and approved by the Council on 28 November 2005.

T.G LETLHOGILE
MUNICIPAL MANAGER
09 March 2006

M.I. MORUTI
CHIEF FINANCIAL OFFICER
09 March 2006

REVIEW OF THE MUNICIPAL MAYOR

We have ambitious plans in place, which are in line with the constitution of the Republic of South Africa (Act No 108 of 1996) to manage our activities on sound principles of Public Administration, Good Governance and Public Accountability to render efficient and effective services to the people of the Kagisano Local Municipality.

As a rural Municipality, with limited resources at our disposal, we are committed to provide basic services to our communities and to eradicate the legacy of apartheid.

To us the introduction of the Municipal Finance Management Act and implementation of some of its clauses was an educational and exciting period because it created an internal environment of accountability within which we run our finances. These annual financial statements have been prepared in line with the requirements of the MFMA.

In conclusion I would like to take this opportunity to thank all Councillors and Officials who have been committed to our financial transformation process, budget implementation and service delivery.



**CLLR. C.E. TLADINYANE
MUNICIPAL MAYOR**

REPORT OF THE AUDITOR GENERAL

REPORT OF THE CHIEF FINANCIAL OFFICER

1 INTRODUCTION

The financial statements for the financial year ending 2004/2005 were performed by the finance department of the Bophirima District Municipality. The District has been assisting with financial administration as well as the training of newly appointed officials of the municipality. By the beginning of the financial year the vacancies for positions of Accountant Expenditure, Creditors Clerk, Salaries Clerk and Financial Clerks were filled. Positions of the Senior Accountants Income, Senior Accountant Expenditure and the Budget and Treasury Officer are still to be filled. Resultant from this the finance department of the municipality is now virtually 100% operational.

The Municipality is depending entirely on the Equitable Share allocation for survival. Areas like Piet Plessis, Louwna, the farms, government departments and business properties have been identified to commence with the compilation of the valuation roll. The appointment of a professional property valuer was made to commence with the valuation roll at Piet Plessis. For other areas the valuation roll will be done immediately after the signing of the memorandum of understanding with the Traditional Leadership which transfers ownership of the communal land to the municipality. This will then afford the municipality some muscle to levy assessment rates and service charges to residents.

The following major challenges were faced during the 2004/2005 financial year:

- a) The implementation of the Municipal Finance Management Act (MFMA) posed the greatest challenge as it has totally transformed financial management in Local Government. Many workshops and training sessions have been attended and new concepts have been adopted.
- b) Great difficulty has also been experienced regarding the implementation of a new Supply Chain Management System (SCM) as the draft SCM framework was completed late in the financial year. A concept SCM Policy was promised by National Treasury to be made available. A draft SCM Policy was however only made available towards the end of the financial year, leaving no time to complete a policy for the Municipality. The new policy will be adopted and implemented before the end of December 2005.
- c) The SCM unit within the Finance Department will be established in the 2005/2006 financial year in line with the requirements of the MFMA. This will greatly improve the workings of procurement and related activities in the Municipality.
- d) An audit firm was appointed during April 2005 to implement a computerized bar-coding asset management system for the Municipality. The process was completed during August 2005 with all assets bar-coded, counted and reconciled to the new asset register.
- e) There is a serious lack of communication regarding funding from both National and Provincial Governments, making it very difficult to do any form of sensible cash flow and other financial planning. It is also very difficult to determine which grant any payment into the bank account of the Municipality relates to due to the lack of communication.

The following major successes were achieved during the 2004/2005 financial year:

- a) The Operational and Capital Budget for the 2005/2006 financial year was adopted by Council on 30 May 2005.
- b) The Annual Financial Statements for the 2003/2004 financial year received an Unqualified Audit opinion from the Auditor-General.
- c) Financial Interns were appointed during the year and the program is progressing very successfully so far. The only complication is the lack of a structured training programme from National Treasury.
- d) All funds, reserves and trust funds are now cash backed.
- e) The Scholarship bursary reserve is well established and many students are benefiting from these programs.

The Finance Department and its staff members are highly committed and motivated to serve the Municipality, local municipalities and the community to the fullest. All efforts are made to ensure that the efficiency and effectiveness of the Finance Department will improve even further in future.

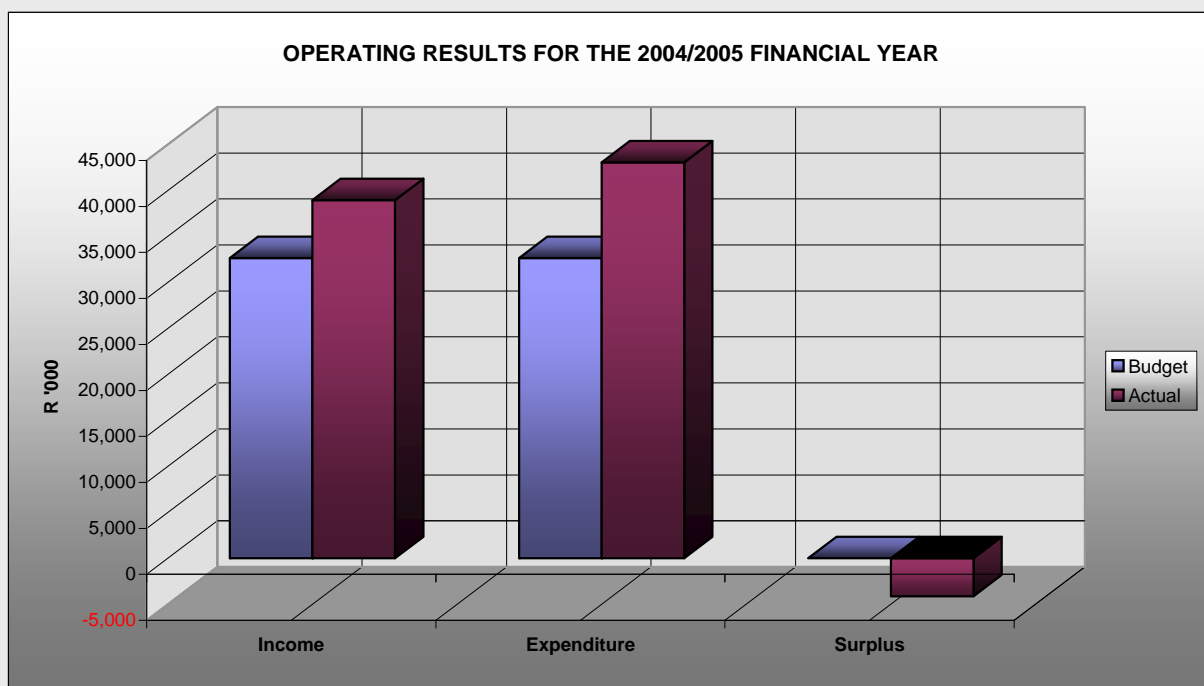
REPORT OF THE CHIEF FINANCIAL OFFICER (Cont)

2 REVIEW OF OPERATING RESULTS

The operating - and capital budget for the 2004/2005 financial year was approved on 29 June 2004. All over expenditures on individual votes are funded from savings made from other votes and was approved by Council accordingly. The budget reflected in these financial statements are as per the adjustments budget approved by Council on 31 January 2005

2.1 General

Details of the operating results per department and classification of income and expenditure are included in **Appendices D and E**. The applicable statistics are shown in **Appendix F**. A graphical presentation of the operating results is shown in the graph below:



The overall operating results for the year ended 30 June 2005 are as follows:

	Actual 2004 R	Actual 2005 R	Variance 2004/2005 R	Adjustment Budget 2005 R	Variance Actual/Budget R
INCOME					
Operating surplus	6,737,179	11,556,550	42%	0	100%
Operating income for the year	22,286,348	38,936,891	43%	32,653,075	19%
Closing deficit	0	0	0%	0	0%
	29,023,527	50,493,441	43%	32,653,075	55%
EXPENDITURE					
Opening deficit	0	0	-	0	0%
Operating expenditure for the year	16,132,429	43,054,189	167%	32,653,075	32%
Sundry transfers	1,334,547	5,916,213	343%	0	100%
Closing surplus	11,556,550	1,523,039	-87%	0	100%
	29,023,527	50,493,441	74%	32,653,075	55%

REPORT OF THE CHIEF FINANCIAL OFFICER (Cont)

2.2 Operating Income for the year

The increase of 19% of the actual operating income over the budgeted operating income of R 32,653,075 is mainly due to the following variances:

INCOME	Actual	Adjustment	Variance	
	2005	Budget		
	R	R	R	%
Equitable share allocation	17,695,225	17,695,000	225	0%
Interest received from various sources	420,149	989,500	-569,351	-58%
R293 Personnel Grant	178,422	178,425	-3	0%
Previous years Surplus Appropriated	5,893,068	5,300,000	593,068	11%
Conditional Grants received from National Government:				
- Finance Management Grant	250,000	250,000	0	0%
- CMIP Funding	4,592,471	0	4,592,471	
- Conditional Grant: DPLG Housing Grant	1,650,000	0	1,650,000	
Conditional Grants received from Provincial Government:				
- Drought Relief Programme	2,200,000	2,200,000	0	
- DDLG&H	60,000	0	60,000	100%
- Libraries Fund	150,000	0	150,000	100%
- Wild Silk Africa	5,000,000	5,000,000	0	0%
Other income items	847,556	1,040,150	-192,594	-19%
	38,936,891	32,653,075	6,283,816	19%

Surplus appropriated

The total variance of R 593,068 on previous years surplus appropriated was due to the fact that additional funds were withdrawn from appropriation account to fund anticipated over-expenditure on capital projects initiated late in the financial year.

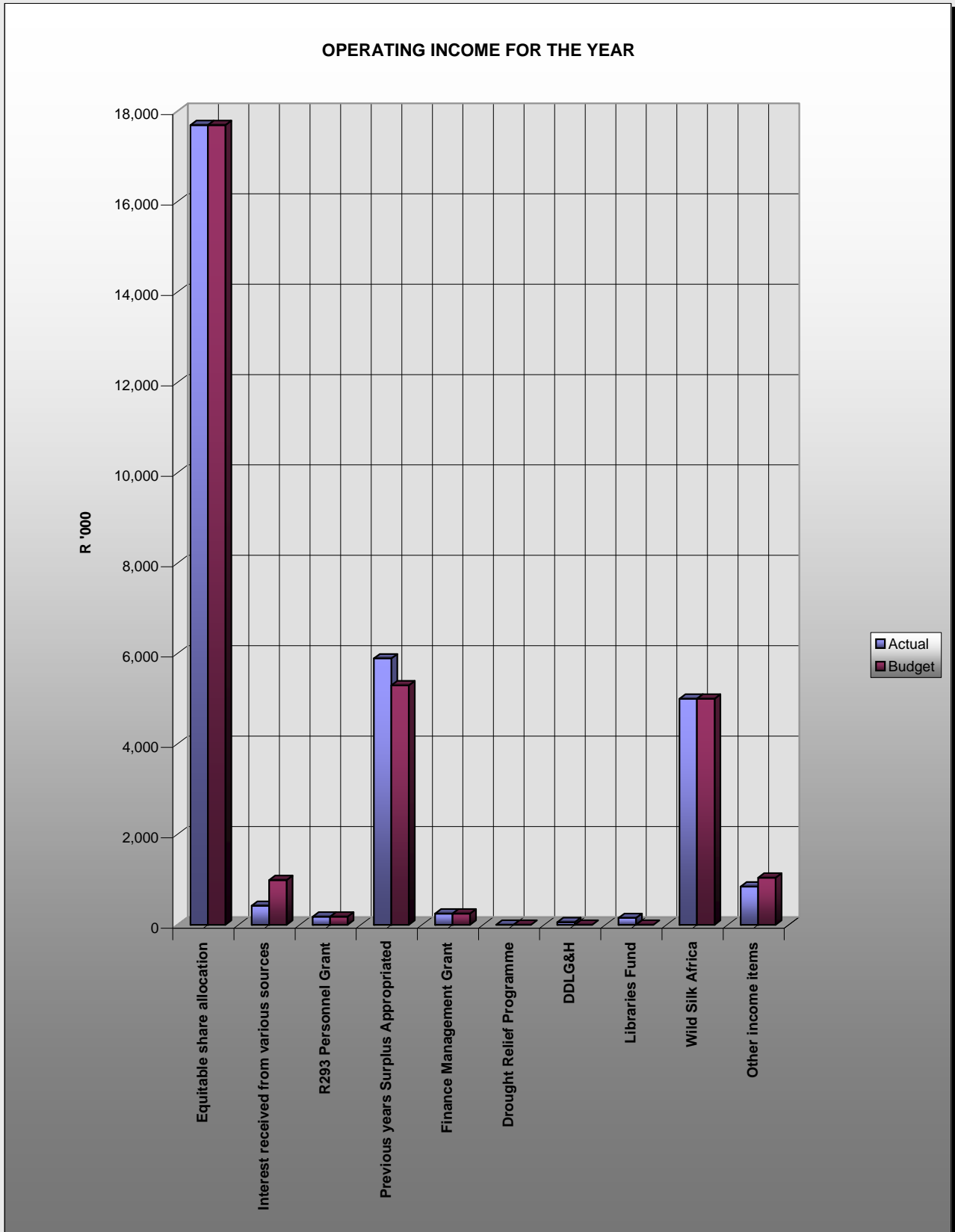
Conditional Grants received from National Government

The main reason for the variance on conditional grants received from National Government to the value of R6,242 471 is due to the fact that the CMIP Funding and the DPLG & H did not indicate on the DORA report the fact that it would grant R4,592,471 and R1,650,000 respectively to the Municipality for various projects during the year and were also transferred towards the end of the financial year, which meant that this amount was not budgeted for

Other Income Items

The major part of the variance on other income items results from vehicle costs recharged (R686,686.90).

REPORT OF THE CHIEF FINANCIAL OFFICER (Cont)



REPORT OF THE CHIEF FINANCIAL OFFICER (Cont)

2.3 Operating Expenditure for the year

The increase of 32% of the actual operating expenditure over the budgeted operating expenditure of R32,653,075 is mainly due to the following variances:

Expenditure	Actual	Adjustment	Variance	
	2005	2005		
	R	R	R	%
Salaries, wages and allowances	5,704,418	7,486,729	1,782,311	24%
General expenses				
- Other general expenses	5,811,772	6,149,155	337,383	5%
- LED Projects	986,656	2,000,000	1,013,344	51%
- Audit expenses	61,961	200,000	138,039	69%
Repairs and maintenance	660,433	244,000	-416,433	-171%
Capital charges	571,734	567,662	-4,072	-1%
Contributions to fixed assets	14,604,749	8,055,529	-6,549,220	-81%
Contributions	14,652,465	7,950,000	-6,702,465	-84%
	43,054,188	32,653,075	-10,401,113	-32%

Salaries, wages and allowances

The savings on salaries, wages and allowances is due to the fact that not all posts budgeted for the year on the adjustments budget were filled for the entire year as anticipated.

General expenses

The savings on general expenditure was mainly due to the under-expenditure on Local Economic Development projects and Water provisions for the year. These projects will be completed in the 2005/2006 financial year.

Contributions to fixed assets

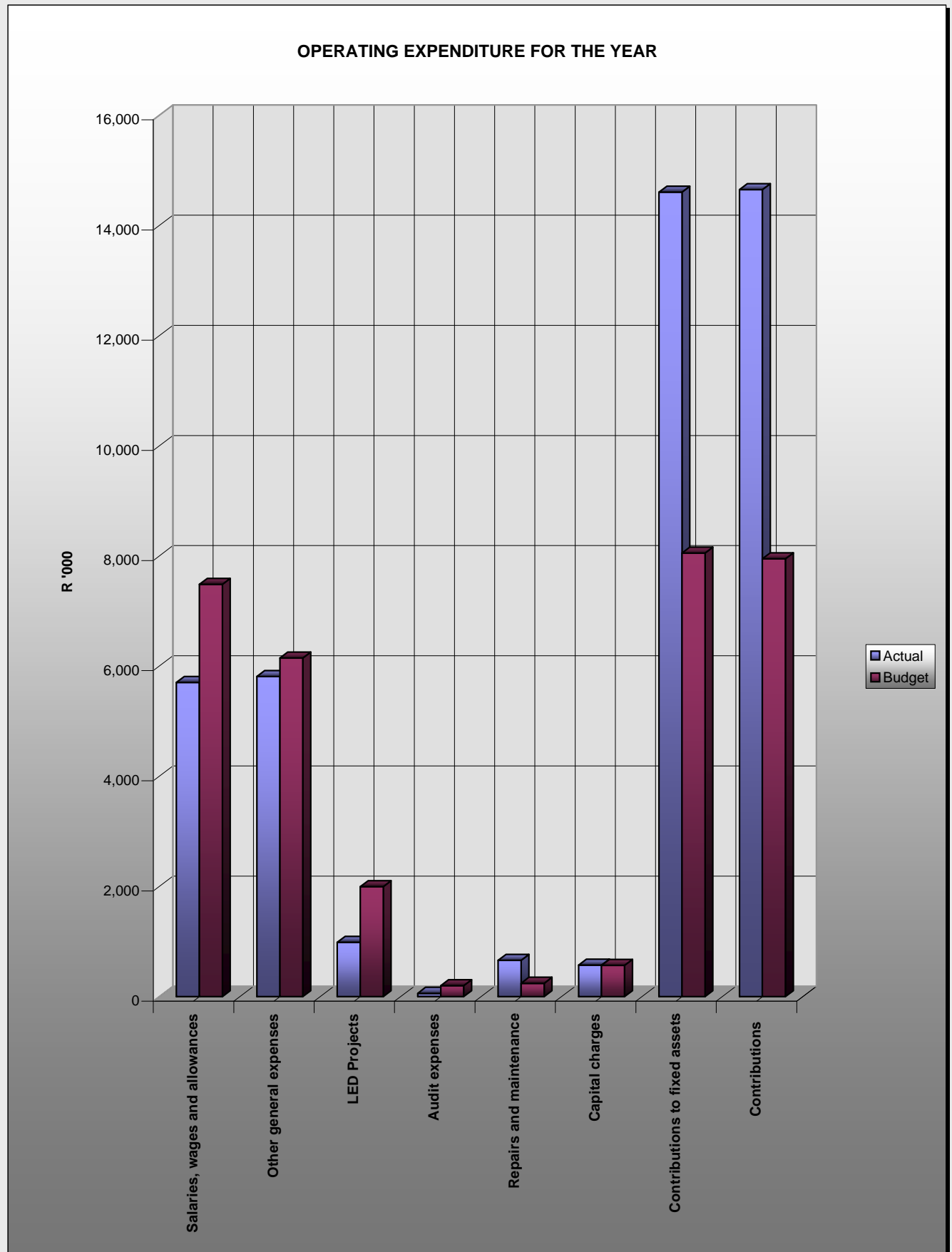
The variance of R6,549,220 on fixed assets was mainly due to the fact that the expenditure accelerated towards the end of the financial year and was not anticipated at the time of the adjustment budget, and also because of implementation of projects funded by DWAF and CMIP the amounts of which were received towards the end of the financial year.

Council resolved, towards the end of the financial year, to fund identified projects from the IDP utilizing funds from the investments.

Contributions

The main reason for the variance on contributions to the value of R6,702,465 is due to the fact that the CMIP Funding and the DPLG & H did not indicate on the DORA report the fact that it would grant R4,592,471 and R1,650,000 respectively to the Municipality for various projects during the year and were also transferred towards the end of the financial year, which meant that this amount was not budgeted for on the adjustment budget for the year.

REPORT OF THE CHIEF FINANCIAL OFFICER (Cont)



REPORT OF THE CHIEF FINANCIAL OFFICER (Cont)

3 CAPITAL EXPENDITURE AND FINANCING

The expenditure on fixed assets during the year amounted to R27,283,572. This is 664% more than the previous year. The actual expenditure is 66% more than that budgeted for and consists of the following:

	Actual 2004 R	Actual 2005 R	Variance 2004/2005 R	Adjustment Budget 2005 R	Variance Actual/Budget R
Land	0	0	0	0	0
Buildings	0	23,687,618	23,687,618	4,365,968	19,321,650
Infrastructure	1,898,290	2,711,728	813,439	11,379,521	-8,667,793
Other fixed assets	1,670,701	884,226	-786,475	701,238	182,988
	3,568,991	27,283,572	23,714,582	16,446,727	10,836,846

Resources used to finance fixed assets were as follows:

	Actual 2004 R	Actual 2005 R	Variance 2004/2005 R	Budget 2005 R	Variance Actual/Budget R
Capital development fund	2,774,030	5,431,846	2,657,816	7,730,743	-2,298,897
Contributions from:	0	0	0	0	0
- Operating account	778,950	14,604,749	13,825,799	7,650,016	6,954,733
- Grants and subsidies	16,011	7,246,978	7,230,967	1,065,968	6,181,010
- Public contributions	0	0	0	0	0
	3,568,991	27,283,573	23,714,582	16,446,727	10,836,846

A complete stock-take of all assets in the Municipality was performed during February / March 2005 and reconciled to the balances per the fixed asset register and the general ledger.

An audit firm was appointed during April 2005 to implement a computerized bar-coding asset management system for the Municipality. The process was completed during August 2005 with all assets bar-coded, counted and reconciled to the new asset register.

The Municipality will embark on a process of revaluating all assets per the new fixed asset register during the 2005/2006 financial year. This process will ensure GRAP compliance of the assets per the financial statements of the 2005/2006 financial year, which will be compiled in line with the GRAP statements. Assets per the fixed asset register at year-end are therefore reflected at historical cost and not market value.

A complete analysis of capital expenditure (budgeted and actual) per department, classification or service is included in **Appendix C**. More details regarding external loans and internal advances used to finance assets are shown in **Appendix B**.

REPORT OF THE CHIEF FINANCIAL OFFICER (Cont)

4 EXTERNAL LOANS, INVESTMENTS AND CASH

No external loans were outstanding against fixed assets on 30 June 2005.

Investments amounted to R13,718,437 on 30 June 2005 (R16,232,512 on 30 June 2004), and the cash and bank balance amounted to R1,562,404 (R5,857,590 on 30 June 2004).

More information regarding loans and investments are disclosed in the **Notes (6)**, **Appendix B** and **Appendix G** to the financial statements.

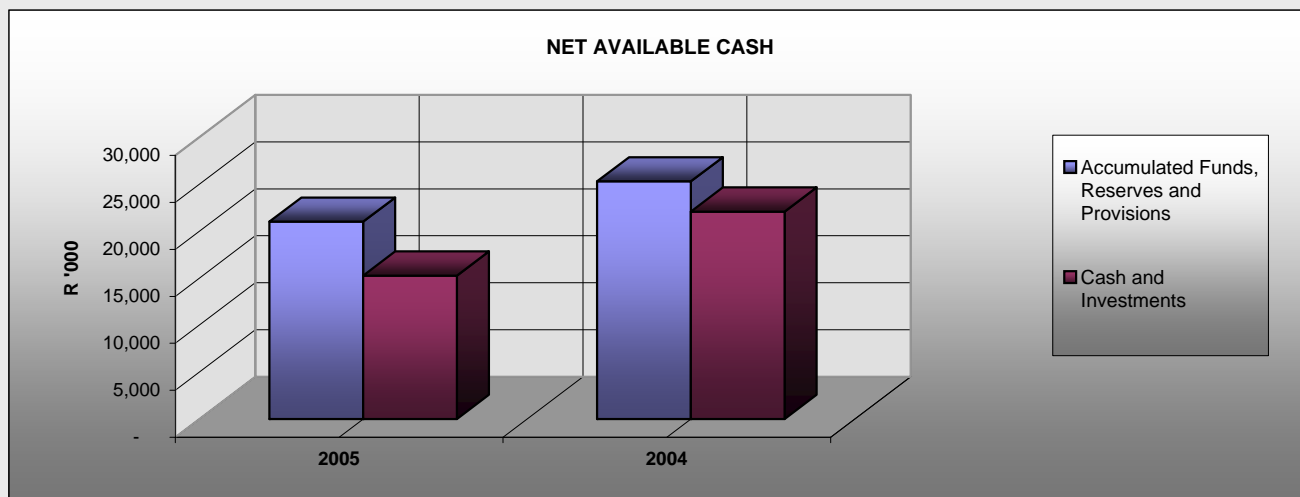
5 POST BALANCE SHEET EVENTS

No material litigation is outstanding against the Municipality and no other post balance events have occurred after year-end and up to the date of the completion of these financial statements.

6 ACCUMULATED FUNDS, RESERVES AND PROVISIONS

Detail information regarding funds, reserves and provisions are disclosed in the **Notes (1, 2, 3 and 4)** and **Appendix**

	Actual 2004 R	Actual 2005 R	Variance 2004/2005 R	%
Accumulated Funds, Reserves and Provisions				
Statutory funds	9,974,854	10,981,071	1,006,217	10%
Reserves	688,495	742,318	53,823	8%
Trust funds	3,080,095	7,769,635	4,689,540	152%
Provisions	618	0	-618	-100%
Accumulated surplus	11,556,550	1,523,039	-10,033,512	-87%
	25,300,612	21,016,063	-4,284,550	-17%
Cash and Investments				
Cash	5,857,590	1,557,750	-4,299,840	-73%
Investments	16,232,512	13,718,437	-2,514,075	-15%
	22,090,102	15,276,187	-6,813,915	-31%
Net available cash	-3,210,510	-5,739,876	-2,529,365	79%



REPORT OF THE CHIEF FINANCIAL OFFICER (Cont)

7 EXPRESSION OF APPRECIATION

I am grateful to the Mayor, the Executive Committee, the Speaker, Councilors, the Municipal Manager, Heads of the various departments and all officials for the support they have given to the Finance Department during the 2004/2005 financial year

A special word of appreciation to the staff of the Finance Department for all the hard work, sacrifices and concentrated efforts during the financial year, which accumulated into these annual financial statements.

M.I. MORUTI
CHIEF FINANCIAL OFFICER
09 March 2006

ACCOUNTING POLICIES

1 BASIS OF PRESENTATION

- 1.1 These financial statements have been prepared as to conform to the standards laid down by the Institute of Municipal Treasurers and Accountants in its Code of Accounting Practice (1997) and Report on Published Annual Financial Statements (Second edition - January 1997). The office of the Auditor-General approves these standards.
- 1.2 The financial statements are prepared on the historical cost basis, adjusted for fixed assets as more fully detailed in **Accounting Policy Note 5**. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis as stated:
- Income and expenditure are brought into account in the year to which it relates.
 - Income is accrued when collectable and measurable. Certain direct income is accrued when received.
 - Expenditure is accrued in the year it is incurred.

2 CONSOLIDATION

The financial statements include the Rate and General services, Trading services, Agency Services and the different funds and reserves.

3 FUNDS

3.1 Capital Development Fund

A fund is maintained from the nett proceeds from the sale of fixed assets and contributions from income in order to be utilised for capital developments.

3.2 Valuation Fund

This fund is maintained for the purpose of funding a general valuation every ten years.

4 RESERVES

4.1 Authority Contribution Reserve

This fund is maintained for the purpose of supplementing the Council's income with interest earned.

4.3 Scholarship Bursary Reserve

A reserve is maintained for the purpose of assisting youths from the municipal area to further their studies at tertiary institutions.

5 FIXED ASSETS

5.1 Fixed Assets are stated:

- at historical cost, or
 - at valuation, (based on the market price at date of acquisition), where assets have been acquired by grant or donation,
- while they are in existence and fit for use, except in the case of bulk assets which are written-off at the end of their estimated life as determined by the Chief Financial Officer.

ACCOUNTING POLICIES (Cont)

5.2 Depreciation:

The balance shown against the heading "Loans Redeemed and Other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation, however, certain structural differences do exist. By way of this "Provision" assets are written down over their estimated useful life. Apart from advances from the various council funds, assets may also be acquired through:

- Appropriations from Income, where the full cost of the asset forms an immediate and direct charge against the operating Income, and therefore it is unnecessary to make any further provision for depreciation.
- Grant or donation, where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed and Other Capital Receipts" account.

5.3 All nett proceeds from the sale of fixed assets are credited to the Capital Development Fund.

5.4 Fixed assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans or advances. Interest is charged to the service concerned at the ruling interest rate applicable at the time that the advance is made.

6 INVESTMENTS

Investments are made in accordance with the investment policy of the Municipality. All investments are reflected in the statements at the original purchase price (cost price) or market value. All investments are made at approved banks and financial institutions in terms of Section 10G(9) of the Local Government Transition Act, 1996 (Act 97 of 1996) as amended.

7 INVENTORY

Inventory is valued at the lower of cost, determined on the weighted average basis, and net realizable value. No inventory was held by the Municipality during the financial year.

8 RETIREMENT BENEFITS

The Kagisano Local Municipality's officials and councillors contribute to the under mentioned pension funds, which provide retirement benefits to such officials and councillors:

- Cape Joint Retirement Pension Fund
- Government Employees Pension Fund
- Municipal Councillors Pension Fund

The retirement benefit plans are subject to the Pension Fund Act, 1956, with pensions being calculated on the final pensionable remuneration paid. Current contributions are charged against operating income on the basis of current personnel / remuneration costs.

Actuarial valuations are done as follows:

- Cape Joint Retirement Pension Fund: Actuarial valuation is done annually
- Government Employees Pension Fund: Actuarial valuation is done every 3 years
- Municipal Councillors Pension Fund: Actuarial valuation is done every 3 years

ACCOUNTING POLICIES (Cont)

9 LEASED ASSETS

Fixed assets held under finance leases are capitalised. Such assets are effectively amortised over the term of the lease agreement.

Lease finance charges are allocated to accounting periods over the duration of the leases, by the effective interest rate method, which reflects the extent and cost of lease finance utilised in each accounting period.

All other leases are treated as operating leases and the relevant rentals are charged to the operating account in a systematic manner related to the period of use of the assets concerned.

10 ADMINISTRATIVE AND TREASURER'S FUNCTION

These functions are performed for the municipality on a cost basis by the Bophirima District Municipality.

BALANCE SHEET AT 30 JUNE 2005

	Note	2005 R	2004 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES		11,723,390	10,663,349
Statutory Funds	1	10,981,071	9,974,854
Reserves	2	742,319	688,495
ACCUMULATED SURPLUS	15	1,523,039	11,556,550
TRUST FUNDS	3	13,246,429	22,219,899
DEPOSITS	4	7,769,635	3,080,095
		0	618
		21,016,064	25,300,612
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	5	7,423,282	2,737,152
INVESTMENTS	6	0	0
LONG-TERM DEBTORS	7	557,116	917,206
		7,980,398	3,654,358
NET CURRENT ASSETS		13,035,666	21,646,253
CURRENT ASSETS		15,754,752	22,537,850
Debtors	8	222,370	152,969
Cash		1,557,750	5,857,590
Short-term investments	6	13,718,437	16,232,512
Short-term portion of long-term debtors	7	256,195	294,779
CURRENT LIABILITIES		2,719,086	891,597
Provisions	9	663,252	279,009
Creditors	10	2,055,834	612,589
		21,016,064	25,300,612

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

Service	2005				2004		
	Actual Income	Actual Expenditure	Surplus / (Deficit)	Adjustment Budget Surplus / (Deficit)	Actual Income	Actual Expenditure	Surplus / (Deficit)
	R	R	R	R	R	R	R
RATES AND GENERAL SERVICES	35,298,771	40,547,210	-5,248,439	0	20,859,555	15,674,244	5,185,311
Community services	34,557,684	39,730,365	-5,172,681	0	20,145,689	15,106,772	5,038,917
Subsidised services	465,876	653,996	-188,120	0	465,046	444,127	20,919
Economic services	275,211	162,849	112,362	0	248,820	123,345	125,475
TRADING SERVICES	3,638,120	2,506,979	1,131,141	0	1,426,793	458,185	968,608
TOTAL	38,936,891	43,054,189	-4,117,298	0	22,286,348	16,132,429	6,153,919
Appropriations for the year (Refer to Note 15.1)			-5,916,213				-1,334,547
Net surplus / (deficit) for the year			-10,033,511				4,819,371
Accumulated surplus / (deficit) at the beginning of the year			11,556,550				6,737,179
ACCUMULATED SURPLUS / (DEFICIT) AT THE END OF THE YEAR			1,523,039				11,556,550

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 R	2004 R
CASH RETAINED FROM OPERATING ACTIVITIES		20,469,656	3,693,021
Cash generated by operations	16	12,140,265	5,426,969
Investment income	14	1,240,730	1,358,342
(Increase) / decrease in working capital	17	-158,317	-3,108,301
		13,222,679	3,677,010
Less: External interest paid	14	0	0
Cash available from operations		13,222,679	3,677,010
Cash contributions from the Public and Government		7,246,978	16,011
Net proceeds on disposal of fixed assets		0	0
CASH UTILISED IN INVESTING ACTIVITIES			
Investments in fixed assets		-27,283,572	-3,568,991
NET CASH FLOW		-6,813,916	124,030
CASH EFFECTS OF FINANCING ACTIVITIES			
Increase / (decrease) in Long-term loans		0	0
(Increase) / decrease in cash investments	18	2,514,076	-3,415,328
(Increase) / decrease in cash	19	4,299,840	3,291,298
		6,813,916	-124,030

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

Description		2005 R	2004 R
1	STATUTORY FUNDS		
	Capital Development Fund	10,971,512	9,965,645
	Valuation Fund	9,559	9,209
	(Refer to Appendix A for more details)	10,981,071	9,974,854
2	RESERVES		
	Scholarship Bursary Reserve	148,153	110,860
	Authority Contribution Reserve	594,165	577,635
	(Refer to Appendix A for more details)	742,318	688,495
3	TRUST FUNDS		
	Free Basic Services Grant	1,313,646	1,264,987
	Tax Capacity Grant	357,879	344,622
	Municipal Systems Improvement Grant	119,152	114,739
	Transition Grant: Indigent Register	0	30
	Local Government Support Grant	0	81,310
	CMIP Funds	408,993	806,665
	Library Funds	56,518	93,950
	Transition Fund	79,106	373,792
	Ganyesa Dikhwena Trust Fund	4,513,419	0
	Drought Relief Grant: DWAF	190,922	0
	DPLG Housing Grant	480,000	0
	Financial Management Grant	250,000	0
	(Refer to Appendix A for more details)	7,769,635	3,080,095
4	CONSUMER DEPOSITS		
	Water	0	618
		0	618
5	FIXED ASSETS		
	Fixed assets at the beginning of the year	8,525,452	4,956,461
	Capital expenditure during the year	27,283,572	3,568,991
	Less: Assets written-off, transferred or disposed of during the year	0	0
	Total fixed assets	35,809,024	8,525,452
	Less: Loans redeemed and other capital receipts	-28,385,742	-5,788,300
	Loans redeemed and advances repaid	216,891	36,879
	Contributions from operating income	16,628,408	1,957,956
	Grants and subsidies	11,540,443	3,793,465
	Revaluation of assets	0	0
	Nett Fixed Assets	7,423,282	2,737,152

(Refer to Appendix C and section 2, Section 3.1 and Section 3.2 of the Treasure's Report for more details on fixed assets)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (Cont)

Description		2005 R	2004 R
6 INVESTMENTS			
Unlisted:			
Short-term deposits and Call deposits		13,718,437	16,232,512
Total investments		13,718,437	16,232,512
Less: Short-term portion of investments		-13,718,437	-16,232,512
Nett investments		0	0
Management's valuation of unlisted investments		13,718,437	16,232,512
Average rate of return on investments		5.54%	5.50%
<p>The Local Government Transition Act, 1993 (Act 209 of 1993) as amended requires local authorities to invest funds, which are not immediately required, with prescribed institutions and the period should be such that it will not be necessary to borrow funds against the investment at a penalty interest rate to meet commitments. No investments have been written-off during the year. No investments have been pledged as security for any funding facilities of the Municipality.</p>			
7 LONG-TERM DEBTORS			
Motor Vehicle Loans		773,006	1,125,681
Study Loans		0	12,927
Computer Loans		40,305	73,377
		813,311	1,211,985
Less: Short-term portion of long-term debtors transferred to current assets		-256,195	-294,779
		557,116	917,206
8 DEBTORS			
Current debtors (consumer and other)		4,114,560	2,115,020
Less: Provision for bad debts		-3,892,190	-1,962,051
		222,370	152,969
<p>R94,104 were written off as bad debt during the year.</p>			
9 PROVISIONS			
Audit Costs		200,000	250,000
Leave Pay		463,252	29,009
		663,252	279,009

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (Cont)

Description		2005 R	2004 R
10 CREDITORS			
Trade creditors		0	0
Other Creditors		2,055,834	612,589
		2,055,834	612,589
11 ASSESSMENT RATES			
Valuation on land is performed every ten years. The last general valuation came into effect on 1 July 1991. Assessment rates are not currently raised as the valuation for the entire municipality has not yet been completed. This process should be finalized in the 2005/2006 financial year.			
12 COUNCILLORS' REMUNERATION			
Mayor's allowance		67,868	115,702
Speaker's allowance		31,557	0
Mayoral committee allowance		0	313,592
Councillors' allowance		350,203	273,128
Councillors' pension contributions		50,740	58,932
Councillors' medical aid contributions		0	0
Councillors' housing allowances		105,431	0
Councillors' travelling allowances		95,071	0
		700,870	761,354
13 AUDITOR'S REMUNERATION			
Audit fees			
- Current year		200,000	250,000
- Over provision prior year		-138,039	-25,391
		61,961	224,609
14 FINANCE TRANSACTIONS			
Total external interest earned and paid:			
- Interest earned		1,240,730	1,358,342
- Interest paid		0	0
Capital charges debited to operating account:			
Interest			
- External		0	0
- Internal		391,722	130,614
Redemption			
- External		745,716	0
- Internal		0	36,879
Deferred charges written-off			0
		1,137,438	167,493

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (Cont)

Description	2005 R	2004 R
15 APPROPRIATIONS		
15.1 Appropriation Account		
Accumulated surplus / (deficit) at the beginning of the year	11,556,550	6,737,179
Gross operating surplus for the year	-4,117,298	6,153,918
Appropriations for the year:	-5,916,213	-1,334,547
- Prior year adjustments	0	495,614
- Sundry balances write-off	-96,561	0
- Provision for bad debts	0	-1,830,161
- Funding for projects appropriated	-5,819,652	0
Accumulated surplus / (deficit) at the end of the year	1,523,039	11,556,550
15.2 Operating account		
Capital expenditure	14,604,749	744,049
Contributions to:	14,652,464	6,776,649
- Capital development fund	0	0
- Bursary reserve	249,993	200,000
- Other governmental conditional grants	14,402,471	6,576,649
	29,257,213	7,520,698
16 CASH GENERATED BY OPERATIONS		
Surplus / (deficit) for the year	-4,117,298	6,153,918
Adjustments in respect of previous year's operating transactions	-5,916,213	-1,334,547
Appropriations charged against income	31,683,557	7,723,135
- Capital development fund	0	0
- Fixed assets (Capital expenditure)	14,604,749	778,950
- Provisions and reserves	2,676,337	367,536
- Other governmental conditional grants	14,402,471	6,576,649
Capital charges:		
Interest paid:		
- to internal funds	391,722	130,614
- to external funds	0	0
Redemption:		
- of internal advances	0	36,879
- of external loans	745,716	0
Deferred charges written-off	0	0
Investment income (operating account)	-420,149	-741,366
Non-operating income:		
- Nett income from reserves	0	600
- Nett income from trust funds	0	36,937
Non-operating expenditure:		
- Expenditure charged against provisions and reserves	-328,127	-234,010
- Expenditure charged against trust funds	-9,898,944	-8,175,350
	12,140,265	3,596,810

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (Cont)

Description	2005 R	2004 R
17 (INCREASE) / DECREASE IN WORKING CAPITAL		
(Increase) / decrease in debtors	-1,999,540	-1,711,123
(Increase) / decrease in long-term debtors	398,674	-1,078,581
Increase / (decrease) in creditors	1,443,167	-318,597
Increase / (decrease) in deposits	-618	0
	-158,317	-3,108,301
18 (INCREASE) / DECREASE IN EXTERNAL CASH INVESTMENTS		
Investment realised	8,414,108	6,802,008
Investment made	-5,900,032	-10,217,336
	2,514,076	-3,415,328
19 (INCREASE) / DECREASE IN CASH ON HAND		
Cash balance at the beginning of the year	5,857,590	9,148,888
Less: Cash balance at the end of the year	-1,557,750	-5,857,590
	4,299,840	3,291,298

20 RETIREMENT BENEFITS

Most employees and councillors of the Municipality are members of one of the following funds. The Municipality's contributions to these funds are reflected as a charge against income in the financial statements.

20.1 Cape Joint Retirement Pension Fund

The last actuarial valuation of the Cape Joint Retirement Pension Fund was done at 30 June 2003. This valuation indicated that the fund is in a sound financial condition at the valuation date.

20.2 Government Employees Pension Fund

The Government Employees Pension Fund is a defined benefit arrangement and is governed by the Government Employees Pension Fund Law, 1996 in terms of Proclamation 21 of 19 April 1996. Actuarial valuations are performed every 3 years. The last actuarial valuation of the Government Employees Pension Fund was done at 31 March 2001. This valuation indicated that the fund is in a financially sound position yet funded at a level of 98.1%.

20.3 Municipal Councillors Pension Fund

The Councillors of the Municipality are members of the Municipal Councillors Pension Fund which is a defined contribution fund and governed by the Pension Funds Act of 1956. The fund was established in 1988 and an actuarial valuation is carried out every 3 years. The last actuarial valuation of the Municipal Councillors Pension Fund was done at 30 June 2003. This valuation indicated that the fund is in a financially sound position and funded at a level of 107.1%.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (Cont)

Description	2005 R	2004 R
21 CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS		
21.1 Leave pay outstanding		
Leave pay outstanding as at 30 June 2005 amounts to R463,252 (2004 - R29,009), whereas the provision amounts to R 463,252 (2004 - R29,009). It is the policy of the Council to carry a provision of 100% of the outstanding amount.		
22 CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
- Approved and contracted for	12,324,534	7,522,626
- Approved but not yet contracted for	49,594,508	6,100,000
	61,919,042	13,622,626
 This expenditure will be financed from:		
- Internal sources	6,435,553	12,556,658
- External sources	55,483,489	1,065,968
Other sources	45,069,422	0
Provincial government	10,414,067	1,065,968
	61,919,042	13,622,626
 23 CAPITAL DEVELOPMENT FUND		
Outstanding advances to borrowing services		
(Interest rate - 5% (2004 - 5%))		
Accumulated funds	10,971,512	9,965,645
Less: Internal investments	-7,423,281	-2,876,272
(Refer to Appendix B for more details)	3,548,231	7,089,373

APPENDIX A

STATUTORY FUNDS, RESERVES AND TRUST FUNDS

	Balance at 30/06/2004	Contributions during the year	Interest on investments	Other income	Expenditure during the year		Balance at 30/06/2005
	R	R	R	R	Operating R	Capital R	R
STATUTORY FUNDS							
Capital development fund	9,965,645	0	1,005,867	0	0	0	10,971,512
Valuation fund	9,209	0	350	0	0	0	9,559
TOTAL STATUTORY FUNDS	9,974,854	0	1,006,217	0	0	0	10,981,071
RESERVES							
Scholarship Bursary Reserve	110,860	249,993	3,466	0	216,166	0	148,153
Authority Contribution Reserve	577,635	0	16,530	0	0	0	594,165
TOTAL STATUTORY FUNDS	688,495	249,993	19,996	0	216,166	0	742,318
TRUST FUNDS							
Transitional Grant: Governance	0	0	0	0	0	0	0
Free Basic Services Grant	1,264,987	0	48,659	0	0	0	1,313,646
Tax Capacity Grant	344,623	0	13,256	0	0	0	357,879
Municipal Systems Improvement Grant	114,739	500,000	4,413	0	0	500,000	119,152
Transition Grant: Indigent Register	30	0	0	0	30	0	0
Local Government Support Grant	81,310	0	2,719	0	0	84,029	0
CMIP Funds	806,665	4,592,471	31,040	0	0	5,021,183	408,993
Library Funds	93,950	150,000	3,907	0	107,384	83,955	56,518
Ganyesa Dikhwena Trust Fund	0	5,000,000	68,204	0	554,785	0	4,513,419
Drought Relief Grant: DWAF	0	2,200,000	0	0	0	2,009,078	190,922
DPLG Housing Grant	0	1,650,000	0	0	1,170,000	0	480,000
DDL&H Grant	0	60,000	0	0	0	60,000	0
Transition Fund	373,792	0	13,815	0	308,500	0	79,106
Finance Management Grant	0	250,000	0	0	0	0	250,000
TOTAL TRUST FUNDS	3,080,096	14,402,471	186,013	0	2,140,699	7,758,245	7,769,635

APPENDIX B

EXTERNAL LOANS AND INTERNAL ADVANCES

			Balance at 30/06/2004	Received during the year	Redeemed or written-off during the year	Balance at 30/06/2005
			R	R	R	R
INTERNAL ADVANCES						
Capital Development Fund	Loan Number	Redeemable				
Itireleng Community Hall	001	2014	667,442	15,500	42,341	640,601
Tshaneng Community Hall	002	2014	917,708	22,506	58,291	881,923
Colaborator Project	003		565,704	0	565,704	0
Toyota Hi-Ace	004	2008	167,054	0	31,058	135,996
C200k M/Benz	005	2008	259,924	0	48,324	211,600
Ganyesa Taxi Rank	006	2015	139,120	886,090	0	1,025,209
Upgrading of Piet Plessis Park	007	2015	159,321	108,627	0	267,948
Access Road Morokweng & Garapi	008	2015	0	2,700,000	0	2,700,000
Ganyesa & Morokweng Basic Floo	009	2015	0	730,000	0	730,000
KLM8/2005- Refurbishment of Sp	010	2015	0	220,004	0	220,004
KLM13/2004- Setabeng Comm Hall	011	2015	0	610,000	0	610,000
			2,876,272	5,292,726	745,716	7,423,281

(Refer to **Note 23**)

APPENDIX C

ANALYSIS OF FIXED ASSETS

SERVICE	Expenditure 2004	Original Budget 2005	Balance at 30/06/2004	Expenditure during the year	Written-off, transferred, redeemed or disposed during the year	Balance at 30/06/2005
	R	R	R	R	R	R
RATES AND GENERAL SERVICES	3,568,991	13,047,529	8,525,452	24,571,844	0	33,097,296
Community Services	3,397,585	13,047,529	8,280,201	24,276,413	0	32,556,614
Office of the Mayor	51,558	23,500	98,115	38,253	0	136,368
Office of the Speaker (Ward Committees)	45,671	75,000	45,671	29,800	0	75,471
Councilors	20,932	20,000	20,932	0	0	20,932
Office of the Municipal Manager	68,575	2,500	118,418	2,197	0	120,615
Corporate Service	742,530	5,075,000	986,689	89,463	0	1,076,152
Finance	16,524	54,238	34,374	41,692	0	76,066
Integrated Development Planning	0		17,850	0	0	17,850
Engineering	178,949	3,858,791	328,817	18,165,808	0	18,494,625
Health	0	0	0	0	0	0
Local Economic Development	12,679	15,000	168,639	0	0	168,639
Internal Audit	0	0	0	0	0	0
MPCC	27,730	2,500	48,422	9,514	0	57,936
Office Buildings	9,411	3,320,000	23,780	2,120,876	0	2,144,656
Council Vehicles	463,856	600,000	1,196,856	462,706	0	1,659,562
Community Halls and Markets	1,640,982	0	4,561,713	902,588	0	5,464,301
Refuse Removal	0	0	0	0	0	0
Sports Facilities	118,188	1,000	629,925	2,413,516	0	3,043,441
Traffic Control	0	0	0	0	0	0

APPENDIX C (Cont)

ANALYSIS OF FIXED ASSETS

SERVICE	Expenditure 2004 R	Original Budget 2005 R	Balance at 30/06/2004 R	Expenditure during the year R	Written-off, transferred, redeemed or disposed during the year R	Balance at 30/06/2005 R
Subsidised services	170,280	0	184,611	295,431	0	480,042
Fire and Disaster	157,719		157,719	210,600	0	368,319
Libraries	12,561		26,892	84,831	0	111,723
Economic services	1,126	0	60,640	0	0	60,640
Refuse Removal and Sewerage	1,126	0	60,640	0	0	60,640
TRADING SERVICES	0	0	0	2,711,728	0	2,711,728
	0	0	0	0	0	0
Water Works	0	0	0	2,711,728	0	2,711,728
	3,568,991	13,047,529	8,525,452	27,283,572	0	35,809,024
LOANS REDEEMED AND OTHER CAPITAL RECEIPTS			-5,788,300	-22,031,740	-565,704	-28,385,743
Loans redeemed and advances repaid			36,879	180,013	0	216,891
Contributions from operating income			1,957,956	14,604,749	65,704	16,628,409
Grants and subsidies			3,793,465	7,246,978	500,000	11,540,443
Revaluation of assets			0	0	0	0
			2,737,152	5,251,833	-565,704	7,423,281

Refer to Section 2, Section 3.1 and Section 3.2 of the
Treasurer's Report for more details on fixed assets

APPENDIX D

ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2005

	2005 Actual R	Adjustment Budget R	2004 Actual R
INCOME			
Grants and Subsidies:	32,097,696	25,145,000	21,067,636
- Central government	23,937,696	17,695,000	20,997,636
- Provincial government	8,160,000	7,450,000	70,000
Operating Income	6,839,194	7,508,075	766,918
- Sale of water	0	0	0
- Other	6,839,194	7,508,075	766,918
TOTAL INCOME	38,936,890	32,653,075	21,834,554
EXPENDITURE			
Salaries, wages and allowances	5,704,418	7,486,729	3,494,653
General expenses:	6,860,389	8,349,155	4,505,692
- Purchase of water	0	0	417,824
- Other general expenses	6,860,389	8,349,155	4,087,868
Repairs and maintenance	660,433	244,000	443,894
Capital charges	571,734	567,662	167,493
Contributions to fixed assets	14,604,749	8,055,529	744,049
Contributions	14,652,465	7,950,000	6,776,649
GROSS EXPENDITURE	43,054,188	32,653,075	16,132,430
Less: Amounts charged out	0	0	-451,794
NETT EXPENDITURE	43,054,188	32,653,075	15,680,636
NETT SURPLUS / (DEFICIT)			
Nett Deficit for the year	-4,117,298		6,153,918
Appropriations for the year (Refer to Note 15)	-5,916,213		-1,334,547
	-10,033,511		4,819,371
Accumulated surplus / (deficit) at beginning of the year	11,556,550		6,737,179
Accumulated surplus / (deficit) at end of the year	1,523,039		11,556,550

APPENDIX E

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

Service	2005				2004		
	Actual Income	Actual Expenditure	Surplus / (Deficit)	Adjustment Budget Surplus /	Actual Income	Actual Expenditure	Surplus / (Deficit)
	R	R	R	R	R	R	R
RATES AND GENERAL SERVICES	35,298,771	40,547,210	-5,248,439	0	20,859,555	15,674,244	5,185,311
Community services	34,557,684	39,730,365	-5,172,681	0	20,145,689	15,106,772	5,038,917
Office of the Mayor	816,137	834,071	-17,934	0	677,658	808,806	-131,148
Office of the Speaker (Ward Committees)	552,207	241,106	311,101	0	508,092	342,889	165,203
Councilors	1,883,939	1,257,998	625,941	0	1,458,755	1,192,818	265,937
Office of the Municipal Manager	716,032	617,120	98,912	0	594,706	619,247	-24,541
Corporate Service	8,376,891	8,799,998	-423,107	0	2,681,033	2,347,872	333,161
Finance	1,390,748	3,528,581	-2,137,833	0	556,233	607,535	-51,302
Integrated Development Planning	424,611	341,042	83,569	0	423,772	312,351	111,421
Engineering	15,549,390	16,272,223	-722,833	0	11,604,698	6,767,126	4,837,572
Health	5,020	2,702	2,318	0	3,000	3,300	-300
Local Economic Development	1,483,511	1,122,136	361,375	0	131,240	917,715	-786,475
Internal Audit	135,110	104,387	30,723	0	100	0	100
MPCC	362,311	155,957	206,354	0	235,752	139,794	95,958
Office Buildings	2,245,925	2,588,072	-342,147	0	549,765	506,581	43,184
Council Vehicles	327,013	1,182,579	-855,566	0	451,794	451,794	0
Community Halls and Markets	176,176	824,469	-648,293	0	168,555	66,124	102,431
Sports Facilities	112,563	1,857,924	-1,745,361	0	100,436	22,820	77,616
Traffic Control	100	0	100	0	100	0	100

APPENDIX E (Cont)

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

Service	2005				2004		
	Actual Income	Actual Expenditure	Surplus / (Deficit)	Adjustment Budget Surplus /	Actual Income	Actual Expenditure	Surplus / (Deficit)
	R	R	R	R	R	R	R
Subsidised services	465,876	653,996	-188,120	0	465,046	444,127	20,919
Fire Protection	100,000	226,600	-126,600	0	200,497	157,719	42,778
Libraries	365,876	427,396	-61,520	0	264,549	286,408	-21,859
Economic services	275,211	162,849	112,362	0	248,820	123,345	125,475
Refuse Removal and Sewerage	275,211	162,849	112,362	0	248,820	123,345	125,475
TRADING SERVICES	3,638,120	2,506,979	1,131,141	0	1,426,793	458,185	968,608
Water Works	3,638,120	2,506,979	1,131,141	0	1,426,793	458,185	968,608
TOTAL	38,936,891	43,054,189	-4,117,298	0	22,286,348	16,132,429	6,153,919
Appropriations for the year (Refer to Note 15)			-5,916,213				-1,334,547
Net surplus / (deficit) for the year			-10,033,511				4,819,371
Accumulated surplus / (deficit) at the beginning of the year			11,556,550				6,737,179
ACCUMULATED SURPLUS / (DEFICIT) AT THE END OF THE YEAR			1,523,039				11,556,550

APPENDIX F

STATISTICAL INFORMATION

	2005	2004
1 GENERAL STATISTICS		
Population	110,000	110,000
Valuation of taxable property	-	-
Valuation of non-taxable property	-	-
Date of valuation	-	-
Valuation of residential property	-	-
Valuation of commercial property	-	-
Number of residential properties	-	-
Number of commercial properties	-	-
Assessment rates	-	-
Number of employees in service on 30 June 2005	48	48
2 WATER STATISTICS		
Number of residential users	-	-
Number of commercial users	-	-
Units bought / purified	-	-
Units sold	-	-
Units lost in distribution	-	-
Units lost in distribution as % of (iv)	-	-
Cost per unit sold	-	-

APPENDIX G

DISCLOSURE PER SECTION 124 & 125 OF THE MFMA

SECTION 124

Subsection (1)(a)

The salaries, allowances and benefits of political office-bearers and councillors of the municipality, whether financial or in kind are reflected per **Note 12**.

Statement by Accounting Officer in terms of Section 124(1)(a) of the MFMA

The salaries, allowances and benefits per **Note 12** of the annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution.

T.G. LETLHOGILE
MUNICIPAL MANAGER
09 March 2006

Subsection (1)(b)

No arrears are outstanding from any councillor to the municipality for rates or services.

Subsection (1)(c)

Salaries, allowances and benefits of Municipal Manager, CFO and Management	Salaries	Allowances (including Leave days sold)	Performance Bonus	Company Contributions	Total
	R	R	R	R	R
Municipal Manager	200,000	194,367	-	42,246	436,613
Corporate Services Director	150,000	191,392	-	35,370	376,762
Senior Administration Manager	100,000	122,681	-	10,591	233,272
Human Resources Manager	90,000	88,718	-	23,369	202,088
Public Relations Officer	114,310	89,289	-	35,066	238,665
Chief Financial Officer	174,000	107,445	-	31,320	312,765
Engineering Services Director	75,000	86,501	-	13,500	175,001
Technical Services Manager	50,000	46,921	-	15,423	112,344
IDP / Local Economic Development Manager	100,000	143,659	-	26,982	270,641
	1,053,310	1,070,973	-	233,868	2,358,151

Subsection (2)(a) + (b)

Not applicable - Not municipal entity.

SECTION 125**Subsection (1)(a)**

Not applicable - no municipal entities under the sole or shared control of the municipality during the financial year.

Subsection (1)(b)

No contributions to organised local government for the financial year.

Subsection (1)(c)

	Total Amounts Paid R	Amounts outstanding at Year-End (- Dr/Cr) R
Audit Fees	111,961	200,000
Taxes		
- PAYE	800,632	(5,799)
- VAT	-	(3,760,301)
Levies		
- UIF	24,137	-
- SDL	34,139	635
Duties	-	-
Pension fund contributions	395,574	11,890
Medical aid contributions	127,623	-
	1,494,065	(3,553,575)

Subsection (2)(a)(i) + (ii)

Bank accounts held	Opening balance R	Closing balance R
ABSA (Current Account)	1,555,553	5,857,744
	1,555,553	5,857,744

Subsection (2)(b)**Summary of Investments****Closing
balance
R**

ABSA - 091 0847 5530	9,559
ABSA - 090 8064 2243	594,165
ABSA - 910 847 6617	1,068
ABSA - 090 9521 0019	119,152
ABSA - 090 9520 9913	1,265
ABSA - 090 9520 9808	357,879
ABSA - 090 9520 9599	1,313,646
ABSA - 090 9912 9490	2,246
ABSA - 091 0193 0905	2,087,518
ABSA - 206 267 7263	2,980,755
ABSA - 091 1953 4321	14,023
ABSA - 091 1953 4583	209,607
ABSA- 091 1953 4745	51,681
ABSA - 091 1953 4957	837,705
ABSA - 040 6125 7214	4,510,419
ABSA - 091 4336 9942	627,749

13,718,437**Subsection (2)(c)**

Particulars of any contingent liabilities of the municipality as at the end of the financial year are as per **Note 21**.

Subsection (2)(d)

- i) No material losses or any material irregular or fruitless and wasteful expenditures. No material unauthorized expenditure had occurred during the financial year.
- ii) No criminal or disciplinary steps taken as a result of losses from (i) above.
- iii) No material losses recovered or written-off.

Subsection (2)(e)

No known material non-compliance of the MFMA had taken place during the year.

Subsection (2)(f)

No other matters currently prescribed.



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